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NEWS RELEASE

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PSC OPENS CASE TO EXAMINE NET METERING

Small wind and hydroelectric generators could be connected to electric grid

FRANKFORT, Ky. (May 30, 2008) – The Kentucky Public Service Commission (PSC) today opened an administrative proceeding that will establish consistent guidelines for net metering and connecting small sources of renewable power to the electric grid.

Net metering allows customers who operate such sources to send any excess power back to their electric utilities and receive a credit against their electric bills. Such net metering, which already applies to solar power sources in Kentucky, will now be extended to include small generators of wind energy, hydroelectric power and power from biomass or bio-gas.

Senate Bill 83, enacted by the Kentucky General Assembly earlier this year, expanded the opportunities for net metering and interconnection. It directed the PSC to develop guidelines that would establish technical requirements and an application process. The guidelines are to be completed by mid-January 2009.

In addition to expanding the types of electric generation eligible for net metering, Senate Bill 83 also doubled the maximum capacity of such generators to 30 kilowatts from 15 kilowatts, raised the limit on the amount of generation allowed on a single utility's system, and extended the life of net metering credits to the life of a customer's account.

Today's order makes all 25 of Kentucky's jurisdictional electric utilities parties to the administrative proceeding. Any other parties who wish to formally participate in the case may request the PSC to grant them status as intervenors. The requests are due by June 20.

The PSC also is encouraging anyone with an interest in net metering to submit comments for the record. No date for a public hearing has been set.

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Today's order is available on the PSC Web site, psc.ky.gov. Other documents in the case also will be made available on the Web site as they are filed. The case number is 2008-00169.

The utilities that have been made parties to the case are:

- Big Rivers Electric Corp.
- Big Sandy Rural Electric Cooperative Corp.
- Blue Grass Energy Cooperative Corp.
- Clark Energy Cooperative Inc.
- Cumberland Valley Electric Inc.
- Duke Energy Kentucky Inc.
- East Kentucky Power Cooperative Inc.
- Farmers Rural Electric Cooperative Corp.
- Fleming-Mason Energy Cooperative
- Grayson Rural Electric Cooperative Corp.
- Inter-County Energy Cooperative Corp.
- Jackson Energy Cooperative
- Jackson Purchase Energy Cooperative
- Kenergy Corp.
- Kentucky Power Company/American Electric Power
- Kentucky Utilities Co.
- Licking Valley Rural Electric Cooperative Corp.
- Louisville Gas and Electric Co.
- Meade County Rural Electric Cooperative Corp.
- Nolin Rural Electric Cooperative Corp.
- Owen Electric Cooperative Inc.
- Salt River Electric Cooperative Corp.
- Shelby Energy Cooperative Inc.
- South Kentucky Rural Electric Cooperative Corp.
- Taylor County Rural Electric Cooperative Corp.

The PSC is an independent agency attached for administrative purposes to the Department of Public Protection in the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 100 employees.